

**Fitzhugh**  
**Signature of Sponsor**

**AMEND Senate Bill No. 568**

**House Bill No. 470\***

by deleting all language following the enacting clause and by substituting instead the following:

Section 1. Tennessee Code Annotated, Section 67-6-228, is amended by deleting the current language in its entirety and by substituting instead the following:

(a) Notwithstanding any provision of this part to the contrary, except as otherwise provided in subsection (b), the retail sale of food and food ingredients for human consumption shall be taxed at the rate of five and one half percent (5.5%) of the sales price.

(b) The retail sale of food and food ingredients sold as prepared food, alcoholic beverages, candy, dietary supplements and tobacco shall be taxed at the rate levied on the sale of tangible personal property at retail by the provisions of § 67-6-202.

SECTION 2. Tennessee Code Annotated, Section 67-6-103(c), is amended by deleting subdivision (2) and by substituting instead the following:

(2) Notwithstanding any provision of law to the contrary, all revenue generated from the one-half percent (0.5%) increase in the sales and use tax rate that became effective April 1, 1992, shall be deposited in the state general fund and earmarked for education purposes in kindergarten through grade twelve (K-12). Revenue generated from one-half percent (0.5%) of the tax rate provided in § 67-6-228 shall continue to be deposited in the state general fund and earmarked for education purposes in kindergarten through grade twelve (K-12) regardless of whether the tax rate provided in § 67-6-228 is reduced below six percent (6%).

SECTION 3. Tennessee Code Annotated, Section 67-6-393(f), is amended by deleting the subsection in its entirety and by substituting instead the following:

(f) In addition to the exemption in subsection (a), the items of tangible personal property subject to the exemption provided in this section shall also be

exempt from the tax imposed by this chapter if sold between 12:01 a.m. on Friday, March 21, 2008 and 11:59 p.m. on Sunday, March 23, 2008. The exemption provided in this subsection (f) shall be subject to all of the provisions of this section and § 67-6-710(h).

SECTION 4. Sections 1 and 2 of this act shall take effect at 12:05 a.m. on January 1, 2008, it being the intent of the General Assembly that Sections 1 and 2 of this act become effective immediately after Sections 69 and 83 of Senate Bill 2223/House Bill 2281 take effect, the public welfare requiring it. Section 3 of this act shall take effect upon becoming a law, the public welfare requiring it.